

MINUTES

Executive Board



Senator Gary Cammack, Chair
Representative Dean Wink, Vice Chair
Representative Spencer Hawley, Ranking Minority Member

**Third Meeting, 2016 Interim
Monday, May 16, 2016**

**Room 413 – State Capitol
Pierre, SD**

The third meeting of the Executive Board for the 2016 Interim was called to order by **Senator Gary Cammack** at 10:30 a.m. in Room 413 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senator Gary Cammack, Chair; Representative Dean Wink, Vice Chair; Representative Spencer Hawley, Ranking Minority Member (via telephone); Senators Corey Brown, David Omdahl, Scott Parsley, Fred Romkema, Billie Sutton (via telephone), and Jim White; and Representatives Jim Bolin, Brian Gosch (via telephone), Don Hagggar, Roger Hunt, and Timothy Johns. Member excused: Senator Phyllis Heineman.

Legislative Research Council (LRC) staff members present included Jason Hancock, Director; Sue Cichos, Deputy Director; Doug Decker, Code Counsel; Annie Mehlhaff, Chief Analyst for Fiscal Research and Budget Analysis; Scott Darnall, Information Technology Manager; Fred Baatz, Principal Research Analyst; Brian DeBolt, Computer Network Administrator; Roxanne Hammond, Legislative Attorney; Kevin Kumpf, Programmer Analyst; Jessica LaMie, Research Analyst; Amanda Reiss, Senior Legislative Attorney; and Kris Schneider, Senior Legislative Secretary.

NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council office. This meeting was web cast live. The archived web cast is available at the LRC web site at <http://www.sdlegislature.gov/>.

Approval of the Agenda

There being no objections, **Senator Cammack, Chair**, moved the discussion regarding "Issue Memo Topics" to precede the "Finalize Scope for Interim Committees" and the discussion regarding "Interim Committee Membership" to 1:00 p.m. The topic of "International Legislators Forum Participation Discussion" was initially deferred to the June board meeting and later deferred to August.

Approval of the Minutes

A MOTION WAS MADE BY REPRESENTATIVE WINK, SECONDED BY SENATOR WHITE, TO APPROVE THE MINUTES OF THE APRIL 18, 2016, EXECUTIVE BOARD MEETING. The motion prevailed on a voice vote.

Management Reports

Mr. Jason Hancock, Director, reported that employee performance reviews will be taking place over the next few weeks. The Legislature's independent Information Technology (IT) system is up and running. **Mr. Scott Darnall** was introduced as LRC's new IT Manager. He will be developing a new budget database system and managing the IT staff. As a former LRC staff member, Mr. Darnall developed the Law Maker program that is in use today.

Ms. Sue Cichos, Deputy Director, reported that the Board of Internal Control, which was created by Senate Bill 162 during the 2016 Legislative Session, met on May 2nd. The board is developing a process and forms to monitor grants that flow thru state agencies. The board is also developing a code of conduct and a conflict of interest policy for use by state agencies. The board will meet monthly during this first year and will provide an annual report to the Governor and to the Government Operations and Audit Committee. Ms. Cichos stated LRC staff is currently reviewing the proposed policies.

Mr. Doug Decker, Code Counsel, reported that the Code Commission's Executive Board appointment expires on June 30th. Mr. Mike DeMersseman has indicated he is interested in being reappointed.

Following a brief discussion on Mr. DeMersseman's qualifications, **REPRESENTATIVE JOHNS MOVED, SECONDED BY REPRESENTATIVE GOSCH, THAT MR. MIKE DeMERSEMAN BE REAPPOINTED TO THE CODE COMMISSION. Motion prevailed on a roll call vote with 13 ayes, 1 nay, 1 excused. Members voting aye: Brown, Omdahl, Parsley, Sutton, White, Gosch, Haggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Member voting nay: Bolin. Member excused: Heineman.**

Mr. Decker reported the page proofs for the pocketparts have been received. The pocketparts will be available at the end of June. An additional ten volumes of old session laws are in the process of being rebound.

In response to a question regarding the Uniform Code Commission appointments, Mr. Decker stated there will be two terms expiring in July, Mr. David Lust and Mr. Thomas Geu. Mr. Lust has indicated he does not wish to be reappointed.

Ms. Annie Mehlhaff, Chief Analyst for Fiscal Research and Budget Analysis, reported that the staff has been conducting interviews to fill the Fiscal Analyst position and hope to have it filled within the next week. She stated that work will begin on the new budget database system.

Ms. Mehlhaff reported the state's revenue numbers look to be on track and are higher than estimates for FY 16. Sales and contractors' excise tax are down.

Senator David Omdahl inquired about the State's debt collection system asking for a report on the amount of money spent and what has been collected to date. Ms. Mehlhaff said she will have to obtain the information and report back.

Mr. Fred Baatz, Principal Research Analyst, reported that the Research staff has been busy with interim standing committees, administrative rules, and bill draft requests. There will be a report later in the meeting to discuss possible changes to the Intern program. Mr. Baatz also stated that the Department of Revenue and six county treasurers, along with Amanda Jacobs and himself, are meeting informally to work on possible tax deed legislation.

Independent IT System Transition Update

Mr. Brian DeBolt, Network Administrator, reported that the Legislative network is up and running as of May 1st. A "Network Update" was distributed and reviewed ([Document 1](#)). In response to questions, it was noted that backup data is being stored in three locations, SDN Communications manages the firewall, and Midco is the Internet provider. Microsoft link is available for email along with web email. The overall project cost was a little bit more due to the additional server needed for load balancing. It was noted there are still items that need to be completed. He also said kudos to the other IT staff, Kevin Kumpf and Hilary Carruthers, for their hard work and dedication during the transition.

Senator Cammack and Mr. Hancock thanked the IT staff for a job well done.

Issue Memo Topics

Mr. Hancock stated that any of the remaining topics not selected for an Interim Study Committee or any other ideas could be addressed through Issue Memorandums. It was noted that the purpose of an issue memorandum is an educational report. A handout entitled "Interim Study Survey" was distributed ([Document 2](#)).

REPRESENTATIVE DEAN WINK MOVED, SECONDED BY REPRESENTATIVE DON HAGGAR, THAT STUDY D – "CIVIL FORFEITURE IN SOUTH DAKOTA: A STUDY OF THE PROCESS, THE VOLUME OF ASSETS SEIZED, HOW THE SEIZED ASSETS ARE MANAGED AND DISPOSED OF, THE REPORTING PROCESS, POSSIBLE ABUSES, AND HOW SOUTH DAKOTA'S PROCESS COMPARES TO OTHER STATES" AND STUDY E – "FENCING LAWS AND PENALTIES" BE SELECTED FOR ISSUE MEMORANDUMS AS WELL AS A REPORT BE WRITTEN REGARDING THE "TWENTY YEAR HISTORY OF PROPERTY TAXES AND ASSESSMENTS". Motion prevailed on a roll call vote with 13 ayes, 2 excused. Members voting aye: Brown, Omdahl, Parsley, Sutton, White, Bolin, Gosch, Hagggar, Hawley, Hunt, Romkema, Wink, and Cammack. Members excused: Heineman and Johns.

Final Scope for Interim Committees

Mr. Hancock stated this is the board's opportunity to adjust the final scope for each of the three studies selected for Interim Committees prior to selecting committee members ([Document 3](#)).

Study I – Substance Abuse Prevention

Following a brief discussion on expanding the scope to include prescription drugs, alcohol, marijuana, and including a report on the number of auto fatalities due to marijuana usage in Washington and Colorado, it was the consensus to expand the study to include prescription drugs only. Expansion to include marijuana and alcohol use would require more time and would be more than prevention issues.

REPRESENTATIVE ROGER HUNT MOVED, SECONDED BY REPRESENTATIVE FRED ROMKEMA, TO INSERT "AND PRESCRIPTION DRUG" FOLLOWING "METH". Motion prevailed on a roll call vote with 14 ayes, 1 excused. Members voting aye: Brown, Omdahl, Parsley, Sutton, White, Bolin, Gosch, Hagggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Member excused: Heineman.

Study J – Regulation of Nursing and Assisted Living Beds

Senator Billie Sutton suggested that "elder abuse in nursing homes" be included in the scope, as per the Department of Justice's latest findings. Because this is a separate issue, it was the consensus not to add elder abuse to the scope of the study. **Representative Brian Gosch** stated he had a copy of the findings and would provide a copy to Mr. Hancock for distribution to the legislative members.

REPRESENTATIVE WINK MOVED, SECONDED BY SENATOR COREY BROWN, THAT THE SCOPE OF STUDY J BE ADOPTED. Motion prevailed on a roll call vote with 14 ayes, 1 excused. Members voting aye: Brown, Omdahl, Parsley, Sutton, White, Bolin, Gosch, Hagggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Member excused: Heineman.

Study K – Payment Methodologies for Medicaid Providers

Representative Romkema suggested adding the impact of federal mandates to the scope.

REPRESENTATIVE ROMKEMA MOVED, SECONDED BY SENATOR BROWN, TO ADD "IMPACT OF FEDERAL MANDATES" AS AN ADDITIONAL BULLET POINT UNDER THE SCOPE. Motion prevailed on a roll call vote with 13 ayes, 2 excused. Members voting aye: Brown, Omdahl, Parsley, White, Bolin, Gosch, Haggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Members excused: Heineman and Sutton.

Interim Committee Membership

Chair Cammack suggested that a membership number be agreed upon prior to the selection of the committee memberships.

REPRESENTATIVE WINK MOVED, SECONDED BY REPRESENTATIVE ROMKEMA, TO LIMIT THE NUMBER OF PARTICIPANTS IN THE SUMMER STUDIES TO ELEVEN. Motion prevailed on a roll call vote with 13 ayes, 2 excused. Members voting aye: Brown, Omdahl, Parsley, Sutton, White, Bolin, Gosch, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Members excused: Haggar and Heineman.

Following a brief discussion on the makeup of the committee membership, it was suggested there be six Representatives and five Senators with at least one member of the minority party from each chamber. It was also suggested that two alternates be named in case someone is unable to serve.

SENATOR SUTTON MOVED, SECONDED BY REPRESENTATIVE HUNT, THAT THE EXECUTIVE BOARD SELECT SIX REPRESENTATIVES, FIVE SENATORS AND TWO ALTERNATES FROM BOTH CHAMBERS INCASE THE MEMBERS CHOSEN CAN NOT SERVE. Motion prevailed on a roll call vote with 14 ayes, 1 excused. Members voting aye: Brown, Omdahl, Parsley, Sutton, White, Bolin, Gosch, Haggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Member excused: Heineman.

Following suggestions from various members of the Executive Board and the preferences indicated from the survey, the following committee memberships were selected, subject to acceptance by each legislator.

Study I – Substance Abuse Prevention

House – Representatives Bolin, Conzet, Haugaard, Rozum, Soli, and Stevens.

Alternate: Representative Qualm.

Senate – Senators Bradford, B. Greenfield, Monroe, Tieszen, and White.

Alternates: Senators Ewing, J. Haggar, and Van Gerpen.

Study J – Regulation of Nursing and Assisted Living Beds

House – Representatives Campbell, Hunt, Soli, Stalzer, Steinhauer, and Westra.

Alternates: Representatives Deutsch and Ring.

Senate – Senators Bradford, Ewing, J. Haggar, Shorma, and Soholt.

Alternates: Senators Parsley and Vehle.

Study K – Payment Methodologies for Medicaid Providers

House – Representatives Hawley, Heinemann, Holmes, J. Hunhoff, and Romkema.

Alternates: Representatives Schoenfish and Werner.

Senate – Senators Parsley, Peters, Rempelberg, and Tidemann.

Alternate: Senator Soholt.

REPRESENTATIVE WINK MOVED, SECONDED BY SENATOR PARSLEY, THAT THE COMMITTEE MEMBERSHIP, AS DISCUSSED AND AGREED UPON (AS LISTED ABOVE), FOR STUDIES I, J, AND K BE THE INTERIM COMMITTEE MEMBERSHIP THIS SUMMER. Motion prevailed on a roll call vote with 14 ayes, 1 excused. Members voting aye: Brown, Omdahl, Parsley, Sutton, White, Bolin, Gosch, Haggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Member excused: Heineman.

REPRESENTATIVE WINK MOVED, SECONDED BY SENATOR BROWN, THAT SENATOR JIM WHITE BE APPOINTED AS CHAIR AND REPRESENTATIVE MIKE STEVENS BE VICE CHAIR FOR STUDY I. Motion prevailed on a roll call vote with 14 ayes, 1 excused. Members voting aye: Brown, Omdahl, Parsley, Sutton, White, Bolin, Gosch, Haggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Member excused: Heineman.

SENATOR BROWN MOVED, SECONDED BY REPRESENTATIVE WINK, THAT REPRESENTATIVE STEVE WESTRA BE CHAIR AND SENATOR DEB SOHOLT BE VICE CHAIR FOR STUDY J. Motion prevailed on a roll call vote with 13 ayes, 1 nay, 1 excused. Members voting aye: Brown, Parsley, Sutton, White, Bolin, Gosch, Haggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Member voting nay: Omdahl. Member excused: Heineman.

SENATOR BROWN MOVED, SECONDED BY REPRESENTATIVE WINK, THAT REPRESENTATIVE JEAN HUNHOFF BE CHAIR AND SENATOR LARRY TIDEMANN BE VICE CHAIR FOR STUDY K. Motion prevailed on a roll call vote with 13 ayes, 1 nay, 1 excused. Members voting aye: Brown, Parsley, Sutton, White, Bolin, Gosch, Haggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Member voting nay: Omdahl. Member excused: Heineman.

Legislative Intern Program

Mr. Fred Baatz, Ms. Amanda Reiss, Senior Legislative Attorney, and Ms. Roxanne Hammond, Legislative Attorney, met with the Intern Coordinators at South Dakota State University and University of South Dakota to discuss LRC's intern program. A summary of the staff's recommendations was distributed along with a proposed calendar and a table that could be used to select the number of interns for each party ([Document 4](#)). Some of their recommendations are: 1) reach out to more majors and include out-of-state schools, 2) a possible revamp of the intern class to alleviate the credit requirement issue, 3) change the application, interview and selection timeframes and the process for selection, 4) more marketing of the program by staff, legislators, and use social media, 5) conduct on-campus interviews, and 6) have an intern coordinator in both chambers to enhance the use of the interns.

It was suggested that the interns be hired shortly after the November election based on the breakdown of the election results, have the current party leadership decide on who is hired shortly after the election, and have the new caucus leadership determine who the interns will work for.

REPRESENTATIVE WINK MOVED, SECONDED BY REPRESENTATIVE HUNT, THAT WE CHANGE THE SELECTION PROCESS OF INTERNS AND MOVE UP THE DATES TO AS SOON AFTER THE NOVEMBER ELECTIONS AS POSSIBLE SO THE INTERNS ARE NOTIFIED THAT THEY HAVE BEEN SELECTED. Motion prevailed on a roll call vote with 14 ayes, 1 excused. Members voting aye: Brown, Omdahl, Parsley, Sutton, White, Bolin, Gosch, Haggar, Hawley, Hunt, Johns, Romkema, Wink, and Cammack. Member excused: Heineman.

Legislative Travel Policies

Mr. Hancock stated in response to a request from Speaker Wink on the processes that surrounding states use to approve out-of-state legislative travel, **Ms. Jessica LaMie, Research Analyst,** compiled a memorandum of the process and procedures used by North Dakota, Minnesota, Wyoming, Nebraska, Iowa, and Montana ([Document 5](#)).

The way South Dakota does it is one of the ways some of the other states do it. Ms. LaMie reviewed the timeframe and approval process for each state.

Representative Hawley suggested the travel policies and the educational opportunities available at the national organizations need to be explained better during legislator orientation.

Representative Bolin liked the idea of a formal written request.

In response to **Representative Gosch's** question on the amount of remaining travel budget for LRC, **Ms. Mehlhaff** responded about \$120,000.

Legislative Planning Committee Report on Implementing SB 143

Representative Scott Munsterman, Chair, Legislative Planning Committee (LPC), reported (via telephone) on the committee's plans on implementing a "Performance Management Review Process" pursuant to Senate Bill 143 ([Document 6](#)). Over the next three years, every state agency will be reviewed. Each agency will submit annual reports to the committee highlighting the agency's performance measures. The LPC will compile an annual report to the Executive Board. The Department of Transportation, Department of Tourism, and the Governor's Office of Economic Development are scheduled to meet with the committee on May 17th.

Investment Council Subcommittee Report

Representative Gosch, Chair, stated there is an opening for a Democrat on the Investment Council. Applications are available on the LRC website and are due by May 20th. The interviews will be conducted during the Executive Board's June meeting in Sioux Falls. To date there have been no applications received.

Representative Hawley commented that he has visited with Matt Clark and there are people interested in serving.

Budget Subcommittee Report

Senator White, Chair, and **Ms. Mehlhaff** reported that as it stands the budget reversion will be around \$140,000. It was also noted that all of the hiring recommendations of the NCSL audit have been implemented.

Senator White and **Ms. Mehlhaff** presented the Joint Committee on Appropriations request to reconfigure LCR 1 and LCR 2 to allow for more meeting room space now that the committee meets primarily jointly ([Document 7](#)).

Senator White stated it was the subcommittee's recommendation to go with Option 2: Move the wall currently between LCR 1 and LCR 2 back about 10 ft. A discussion was held on the needs of the committee, relocation of the Democrat caucus, the need for an additional small conference room, and the pros and cons of the two options proposed.

In response to Senator's Brown's question regarding cost, Ms. Mehlhaff stated the Bureau of Administration did not have an estimate on moving the wall. A new table and any IT equipment would be our responsibility.

SENATOR WHITE MOVED, SECONDED BY REPRESENTATIVE HAGGAR, THAT APPROVAL BE GIVEN FOR OPTION 2 REMODEL TO LCR 1 AND LCR 2. Motion prevailed on a roll call vote with 10 ayes, 3 nays, 2 excused. Members voting aye: Omdahl, Parsley, White, Gosch, Hagggar, Hawley, Hunt, Johns, Romkema, and Cammack. Members voting nay: Brown, Sutton and Wink. Members excused: Bolin and Heineman.

Adjourn

REPRESENTATIVE HUNT MOVED, SECONDED BY REPRESENTATIVE GOSCH, THAT THE EXECUTIVE BOARD BE ADJOURNED. The motion prevailed on a voice vote.

The Board adjourned at 3:26 p.m.